

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5106-05
Bill No.: SCS for HB 1716
Subject: Education, Higher
Type: Original
Date: May 6, 2016

Bill Summary: This proposal allows students enrolled in approved virtual institutions to participate in the "Access Missouri Financial Assistance Program."

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	\$0 to (Could exceed \$100,000)	\$0 to (Could exceed \$100,000)	\$0 to (Could exceed \$100,000)
Total Estimated Net Effect on General Revenue	\$0 to (Could exceed \$100,000)	\$0 to (Could exceed \$100,000)	\$0 to (Could exceed \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight notes this proposal would allow students that attend approved virtual institutions to receive money from the Access Missouri Financial Assistance Program. Approved virtual institution is defined as a qualified institution. This proposal expands the number of institutions that qualify for the program.

The Access Missouri program is designed to provide need-based financial aid to eligible Missouri residents. Students with an expected family contribution below the established cutoff are eligible for the award. Award amounts are graduated, using statutory formula, based on the student's expected family contribution.

Starting in FY 2015 and beyond the award amounts are:

Public two-year sector = \$300 minimum and \$1,300 maximum

Public four-year sector and State Technical College = \$1,500 minimum and \$2,850 maximum

Private institutions = \$1,500 minimum and \$2,850 maximum.

Table 1 - Number of Students Receiving Grant

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Projected	FY 2017 Target	FY 2018 Target
Number of Students	55,858	52,826	51,367	49,500	49,000	49,000
Appropriated Amount	\$64,067,301	\$60,664,771	\$59,933,326	\$69,500,000	N/A	N/A

Source: Department of Higher Education

N/A = Not Available

Officials at the **Department of Higher Education (DHE)** assume that to be eligible for Access Missouri, students need to file their FAFSA by April 1st of each year. While not all students will file by that deadline, we do expect the number who do to increase. The number of institutions who meet the new definition of "approved virtual institution" is increased, but by an unknown amount. It is difficult to determine how many students would thereby be impacted, but the current Access Missouri award is at the statutory minimum of \$1,850.

Oversight notes each year the Legislature appropriates funding for the Access Missouri Financial Assistance Program. In FY 2016, \$69,500,000 was appropriated for a projected 49,500

ASSUMPTION (continued)

students. Should the amount of the appropriation remain the same and the number of eligible students increase, then the amount distributed to each individual student would be reduced. Should the Legislature decide to increase the appropriation to cover these students then General Revenue would be impacted but the individual student's funding level would not. Oversight will show the impact as \$0 (no additional funds appropriated) to Could exceed \$100,000.

Officials at the **Office of the Governor** assume there is no fiscal impact from this proposal.

Officials at the **Missouri State University** assume a negative impact that cannot be determined at this time.

Officials at the **University of Central Missouri** assume the only possible impact would be if students chose a virtual school over the University.

Officials at the **State Technical College of Missouri** and the **University of Missouri** each assume there is no fiscal impact from this proposal.

In response to the previous version, officials at the **Jefferson College, Metropolitan Community College** and the **St. Louis Community College** each assumed there was no fiscal impact from this proposal to their respective institutions.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Lincoln University, Moberly Area Community College, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, Three Rivers Community College and the Truman State University did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Cost</u> - Dept of Higher Education - increased Access MO funding for students attending a virtual institution	\$0 to (Could exceed <u>\$100,000</u>)	\$0 to (Could exceed <u>\$100,000</u>)	\$0 to (Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 to (Could exceed <u>\$100,000</u>)	\$0 to (Could exceed <u>\$100,000</u>)	\$0 to (Could exceed <u>\$100,000</u>)
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

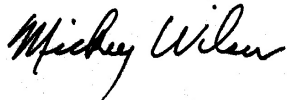
FISCAL DESCRIPTION

This bill adds approved virtual institutions to the Access Missouri Financial Assistance Program that are recognized as a qualifying institution.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education
Jefferson College
Metropolitan Community College
Missouri State University
Office of the Governor
State Technical College
St. Louis Community College
University of Central Missouri
University of Missouri

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
May 6, 2016

Ross Strobe
Assistant Director
May 6, 2016